

the costs of the program. However, in many States, the price of Carnation formula is significantly cheaper than other brands of infant formula, which makes it difficult for Carnation to offer rebates as high as their competitors. However, Carnation may still be able to offer the lowest bid, if measured on a lowest net price basis.

Unfortunately, some States are awarding WIC formula contracts simply on the basis of which company offers the highest rebate, as opposed to the lowest net price bid. The detriments of this simplistic approach are two-fold. First, by focusing on highest rebate instead of lowest net price, States are spending more for infant formula than they should. Second, by biasing the WIC formula bid process toward the companies offering the highest rebate, States are effectively excluding additional competitors, such as Carnation, from the WIC formula market, and thus jeopardizing future cost containment efforts.

To address this problem, the Senate Agriculture appropriations bill includes language that requires States to award infant formula contracts to the bidder offering the lowest net price, unless the State can adequately demonstrate that the retail price of different brands of infant formula within the State are essentially the same.

I commend the managers of the bill for including this common-sense language, which I believe will help secure the long-term viability of the WIC program. It is my hope that this provision will be maintained in conference.

Mr. WARNER. Mr. President, I am pleased to rise in support of S. 1956, the Senate's latest attempt to reform the Nation's welfare system. On two occasions in the last year, the Congress has sent welfare reform legislation to the White House, and on both occasions, our efforts have only been met with the veto pen. I sincerely hope that, as the saying goes, the third time will be the charm.

S. 1956 is in many respects identical to H.R. 4, the welfare reform bill approved in the Senate with my support by a vote of 87 to 12 on September 19, 1995. Again we are proposing to block grant the AFDC [Aid to Families with Dependent Children] program, giving over the responsibility of day-to-day administration to the Nation's Governors, while requiring strict work requirements for able-bodied AFDC recipients, 5 year maximum eligibility, limitations on non-citizens, and home residency and school attendance requirements for unmarried teenage mothers.

I am proud to report that these actions are in keeping with the important steps the Commonwealth of Virginia has already taken to reform our own State welfare system. What we in Virginia have accomplished under Governor George Allen through a laborious process of gaining Federal waiver authority, the Senate is now poised to approve for the entire Nation.

In Virginia we call our welfare reform plan the Virginia Independence Program, and we have successfully been in the implementation stage since July 1, 1995. Our goals are simple and to the point: To strengthen disadvantaged families, encourage personal responsibility, and to achieve self-sufficiency.

On a quarterly basis, and as resources become available in different State locales, we are requiring all able-bodied AFDC recipients to work in exchange for their benefits. Increased income of up to 100 percent of the poverty level is allowed while working toward self-sufficiency. Those unable to find jobs immediately will participate in intensive community work experience and job training programs.

To ease the transition from dependence to self-sufficiency, we are also making available an additional 12 months of medical and child care assistance. We understand that these benefits must be provided if single parents, in particular, are going to be able to fully participate in job training and new work opportunities.

Mr. President, let me sum up by saying that the Federal Government has been fighting President Lyndon Johnson's War on Poverty for 30 years. Aggregate Government spending on welfare programs during this period has surpassed \$5.4 trillion in constant 1993 dollars. Despite this enormous spending our national poverty rate remains at about the same level as 1965.

Mr. President, the welfare system we have today is badly broken and we must fix it.

I'd like to add a personal note to this debate. Yesterday, I had the good fortune to visit a true laboratory of welfare reform in Norfolk, VA. This laboratory is entitled the "Norfolk Education and Employment Training Center", otherwise known as NEET.

Mr. President, my visit with Norfolk city officials and the NEET employees and students truly strengthened my belief that States and local communities—not the Federal bureaucrats in Washington—are best equipped to help individuals break out of welfare.

The city of Norfolk has done a superb job overseeing the NEET Program. There is real cooperation between the city and the contracting private entity that is running the job training center. There was a genuine pride in the faces of the city workers, NEET employees, and the NEET graduates and students.

I commend the city employees who work with the NEET Center, and in particular, Ms. Suzanne Puryear, the director of the Norfolk Department of Human Services. I would also like to commend Ms. Sylvia Powell and the other fine employees at the NEET Center. There is outstanding talent in these two operations, and I believe the business community in Norfolk recognizes this.

Without getting into all of the details, I would like to note that individuals referred to the center are given

opportunities to develop a number of job skills, including computer work, and if necessary, the students are assisted with studying for and earning a GED. They are also provided help with job interview preparation as well as actual job search and post-employment support.

Mr. President, there is tremendous talent among the NEET students and graduates. Arlene Wright came to NEET as a welfare recipient. Today, after some 7 months of training and a loan from NEET, Ms. Wright is the proud owner and director of the Tender Kinder Care day care center.

I also spoke with some of the students. One of the most poignant comments came from Ray Rogers. In her words, Mr. President, Ms. Rogers said that NEET is the kind of program that "helps you pick yourself up. You learn that you can take the things that you know and apply them to a job."

Pick yourself up. These are very powerful words. It is time that more Americans are helped to pick themselves up and not just be another statistic waiting for another Government check. If we provide opportunity and instruction at the State and local level, there will be more Ms. Wrights and Ms. Rogers and Nicole Steversons and others whom I met yesterday in Norfolk.

Mr. FEINGOLD. Mr. President, I intend to vote in favor of the pending welfare reform bill.

Last September, I voted for the Senate-passed welfare reform bill.

I did so then with substantial reservations about many of the provisions in that bill. I do so today with many of the same kinds of reservations.

I am voting for this measure for two principal reasons.

First, I believe that the current welfare system is badly broken, and we must find an alternative to the status quo. No one likes the current system, least of all the families trapped in an endless cycle of dependency, poverty, and despair. The current system is plagued by perverse incentives that discourage work. Reforming such a complex system requires taking some risks, and this bill, any welfare reform measure, entails some risks. However, some assumption of risk is necessary to change the status quo.

Second, I am concerned that continuation of a system dominated by detailed prescriptions from Federal officials in Washington may stifle the innovative approaches from State and local governments that can help change the status quo.

The basic premise behind this bill, and much of the reform movement today, is that the current system has failed and that we ought to allow the States the opportunity to try to do a better job and give them the flexibility to try new approaches to these seemingly intractable problems. This approach places a great deal of faith in the good will of State governments to implement programs designed to help, not punish, needy citizens.